FBIS DAILY REPORT

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ENVOY SAYS ARGENTINA ACCEPTS UN-RUN FALKLANDS

PY190059 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0030 GMT 19 May 82

[Excerpt] Buenos Aires, 18 May (NA) -- The Argentine ambassador to the United Nations, Eduardo Roca, has emphasized that our country accepts a transition administration by the United Nations in the Malvinas and gave prominence to the steps taken by the Argentine Government in seeking to remove the difficulties in the peace negotiations. "Ever since it agreed to the UN mediation," Roca emphasized, "Argentina has shown better than the British that it wants to achieve peace." "The initiative in presenting sovereignty as the objective of the negotiations and not as a pre-existing condition is a clear example," he noted.

The diplomat, who made a statement to the weekly SIETE DIAS, also emphasized that "we accept a UN administration" in the islands during the period required for the negotiations with the United Kingdom in order to settle the thorny issue of sovereignty.

FOREIGN MINISTRY HITS EEC SANCTIONS DECISION

PY182153 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2010 GMT 18 May 82

[Text] Buenos Aires, 18 May (NA) -- The national government today criticized the renewal for 7 days of the sanctions the European Economic Community (EEC) adopted against Argentina at the request of Great Britain. The renewal of the sanctions shows that the EEC "continues supporting Great Britain with coercive economic measures" in a "continuation of its colonialist objectives," the San Martin Palace stated in a communique released this evening.

The communique says the Argentine Government "appreciates and values thoroughly the attitude of those member countries (of the EEC) which, faithful to their tradition and public opinion, have succeeded in lessening the scope of the measures" with the goal of achieving a "peaceful solution in the South Atlantic." The Foreign Ministry text reads:

"At that time the Argentine Government labeled the measures adopted by the EEC on 16 April as economic aggression. It deemed that they were contrary to international law and ignored the UN Charter and the General Agreement on Tariffs and Trade. Most of the Latin American countries and developing countries rejected these measures at various international forums and encouraged the EEC to lift them.

"It is proper to reject economic measures having political objectives in the relationships between states, which are adopted in disregard of every legal principle, whatever their scope or duration. Therefore the fact that the EEC has renewed its economic sanctions against Argentina for just 7 days shows that the community is continuing to support a country and its military aggression through coercive economic measures and is in fact aligning itself with everything that country undertakes in the continuation of its colonialist objectives. By renewing the sanctions, it has insisted on a policy which can only be explained within the context of the North-South relationship.

"The Argentine Government appreciates and values thoroughly the attitude of those member countries of the EEC, which, faithful to their tradition and public opinion, have succeeded in lessening the scope of the measures or have tried to disassociate themselves from them, thus seeking a possible way of achieving a peaceful solution in the South Atlantic.

Lift Ban on Italy

PY182309 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2300 GMT 18 May 82

[Text] Buenos Aires, 18 May (NA) -- Argentina has decided to lift the restrictions on imports of products from Italy, Commerce Secretary Alberto de las Carreras said tonight. This measure, he said, was adopted in response to the Italian Government's decision not to back the extension of the EEC sanctions requested by Great Britain.

MINISTRY DOCUMENT REVIEWS ALEMANN'S TRIP

PY190750 Buenos Aires TELAM in Spanish 2107 GMT 18 May 82

[Text] Buenos Aires, 18 May (TELAM) -- The International Monetary Fund communique which reported on the actions of its members at the Helsinki meeting recalled the concern expressed by the Argentine economy minister on the possible consequences of the EEC political decision to institute a blockade of Argentina. This is apparent in an official document released this evening by the Finance Ministry, where the activities of Dr Roberto Teodoro Alemann during his recent tour in Europe and the United States are reported.

The IMF communique pointed out that the decisions taken by Great Britain freezing Argentine private and public funds and by the EEC limiting imports of Argentine goods were adopted for political reasons by countries with British roots due to a territorial conflict that is not their business and this violating international treaties. The insertion of such expressions in the communique was backed by Latin American delegates and those of some other countries, expressly mentioning that the removal of such measures was requested.

In the summary released by the Economy Ministry it was pointed out that the meetings, held 10-13 May, included the so-called Group of 24 (representatives of Latin America, Africa and Asia), the IMF interim committee and World Bank representatives. The Group of 24 proposed increasing the resources of the Fund and of the Bank, particularly of the shares of the Fund's member countries, and a new allotment of special drawing rights.

The problem of high nominal and actual rates of interest which prevail in the developed countries dominated the meetings of the interim committee, with speakers emphasizing that the problem is more acute in underdeveloped countries because of the fall in prices of exports so that the actual rates of interest are really higher than the nominal rates. In his speech, Alemann mentioned the high demand for cash savings on the part of the public sector in developed countries as a result of great deficits in their budgetary and extra-budgetary public accounts.

The Finance Ministry report then describes the meetings the head of the ministry had with New York bankers, pointing out that it was informally reported that financiers were willing to continue operating with their credit lines open to the country, without harming Argentine access to medium and long-term credits once the conflict is overcome.

Alemann met with newsmen in Finland, Germany, Switzerland and the United States regarding the progress of the economy and the Argentine position in defense of its sovereignty in the southern islands.

Economy Can Withstand Conflict

PY190723 Buenos Aires TELAM in Spanish 2017 GMT 18 May 82

[Text] Buenos Aires, 18 May (TELAM) -- Economy Minister Roberto Alemann stated tonight that, economically speaking, Argentina can withstand for months the duration of the conflict in the South Atlantic.

He added that he will not allow the purchase of even a screw from those countries that decreed a commercial blockade against our country. Alemann appeared on a channel 11 program and said new and stricter controls will be applied to the external sector.

As for his trip to Helsinki to participate in the IMF conference, the economy minister said President Galtieri thought that under the circumstances it would be advisable for him to go personally, rather than send a representative, so as to explain Argentina's position in the conflict with Great Britain. In Helsinki and in meetings he held with bankers in Zurich and New York, Alemann said he expressed Argentina's decision to continue using the open lines of credit during this conflict, but to cancel plans to contract long-term credits for the time being.

Alemann said he met no banker with a hard position, but that on the contrary all of them demonstrated that they understood his explanation of the British aggression as well as that of other countries which, having nothing to do with the problem, had adopted economic sanctions against Argentina.

After indicating that currently Argentina is not facing any worrisome problem in the external sector, Alemann referred to the talks he had with officials of the EEC countries, pointing out to them the serious mistake they were committing in applying the economic blockade. Alemann recounted that he told the economy minister of one of those countries that they were badly mistaken as to the effect of such a blockade because neither the nation's president nor the military junta would change their minds because of those pressures. Alemann said he thought those pressures were directed at him, the economy minister, and that he had asked that EEC minister what he had against him.

The economy minister said that he thinks that behind those sanctions against Argentina there was some kind of political deal involving the subsidy for agricultural products that has been requested by France; a subsidy that, as can be seen, the British do not want to pay, thus exposing a lack of solidarity within the EEC itself. So Argentina was thrown into that deal.

Asked what would happen if the EEC embargo were extended beyond the 7 days announced, Alemann noted that since we are a food exporting country and self-sufficient in energy, we could withstand for as many months as necessary a blockade of that nature until a solution and until the recognition of our sovereignty.

Alemann also said that in his talk with an EEC minister, whom he did not identify, he warned that if the economic blockade were extended he, as Argentina's economy minister, would not allow the entry of even a screw from his country, and that therefore the consequences would be felt only by the enterprises of that minister's country.

After noting that the British decision to freeze all the funds of Argentine residents, even those of private individuals, caused surprise to the whole world, Alemann said he was quite satisfied with the development of the internal interest rates during the week he had been on his trip, because these declined as expected in the wake of the economic measures he implemented before the trip.

Asked as to the uproar caused by the postponement of decisions on the question of transfer of state-owned enterprises to the private sector, a postponement that was interpreted as undermining his authority, Minister Alemann noted that those rumors were based on a wrong assumption because he was not the privatization minister and furthermore policies are decided by President Galtieri.

The economy minister said that 2 weeks ago the chief of the executive branch had instructed his ministers to avoid discussions of controversial topics considering the particular situation the country was going through, and that the communique (on the topic of privatizations) did nothing more than confirm something that had been known for weeks.

As for the current monetary policy, the minister said it was quite consistent with what had happened in the financial market. At this point Alemann criticized investors by saying that what has happened shows that the Argentines have their hearts in the Malvinas but their pockets somewhere else, which our reactions reveal to be the case. The behavior of the public forced up to adopt those measures regarding monetary matters, Alemann said, but still the anti-inflationary fight continues to be as important now as it was at the beginning of the administration. He added tht prices in May were remaining stable.

Asked if he would establish some sort of timetable for the reduction of Central Bank guarantees on financial deposits, Alemann replied that he did not like timetables and that he would observe the behavior of the market in the wake of the measures that have been adopted in order to act accordingly. But he would not give any information on what might be done, he said.

The economy minister justified the controls imposed on foreign exchange by saying that foreign exchange is a scarce commodity that has to be treated carefully. He said the current exchange rate of 14,000 pesos to the dollar is undervalued in order to contain imports and promote exports. Alemann said that on such a basis, the immediate reaction of our foreign trade could be seen already. In this year's first 4-month period, Argentine exports amounted to almost $3 billion. In addition there was a surplus of more than $1 billion, against $750 million in the same period last year. He added that if the conflict continues, control measures (over exchange rates and foreign trade) will be even more severe, more restrictive.

In conclusion Alemann said that even though for technical reasons there had been a delay in the collection of the first installment of the tax on financial assets, there would be no delay concerning the raise, scheduled for 1 June, to be granted to public servants. He added: "The calculation of the amount of that raise is simple, since the total amount to be collected may be calculated based on the amount collected in the first installment. That total is divided through the 6 months, (until the end of the year) plus the Christmas bonus, and then the specific possibilities can be had."

BRITAIN SAID SKEPTICAL ON FUTURE OF FALKLANDS

PY182303 Buenos Aires TELAM in English 2033 GMT 18 May 82

[From the transmission "for the British colony resident on the Malvinas"]

[Text] Beunos Aires, 18 May (TELAM) -- Repossession of the Malvinas Islands by force of British arms and reestablishment of the colony would not end Britain's problems in the South Atlantic, according to defence analysts in London cited in a UNITED PRESS dispatch carried in this morning's issue of the Buenos Aires HERALD. The British analysts predicted that the population may dwindle, the cost of providing security would soar, and Britain would have a difficult task exploiting the islands' presumed oil deposits.

They cited the famous Shackleton report on the islands, prepared by a British Government commission in 1976, which judged that oil exploration would not be financially worthwhile if it had to be conducted against Argentine wishes and from bases farther away than the Argentine mainland. Assuming that Argentine reaction to a British takeover by force would be strong, the analysts said the defence of the islands would cost more, much more.

BRITONS WANT EVACUATION OF FALKLANDS CHILDREN

PY190136 Buenos Aires TELAM in Spanish 1615 GMT 18 May 82

[Text] Buenos Aires, 18 May (TELAM) -- The president of the Council of the British Community in Argentina has turned to President Leopoldo Fortunato Galtieri and British Prime Minister Margaret Thatcher, asking that the necessary steps be taken to permit the evacuation of all minors now in the Malvinas Islands. The letter addressed to General Galtieri is couched in the following terms:

"In view of the development of the conflict in the South Atlantic and dangers to which all persons involved are exposed, I, as the representative of the British Community Council in the Republic of Argentina, turn to you requesting that you order all actions necessary to permit the evacuation from the Malvinas Islands of all minors who are there. I enclose a copy of the telegram we have sent today to the prime minister of Great Britain, asking for an interruption of hostilities, and we hope to receive an affirmative reply which will enable the organization of this operation without danger of loss of life.

"We intend to offer these minors lodging in the homes of British community families resident in this country, where they will be given all kinds of comfort and care and where, in addition, they will be able to live without language problems. The world cannot fail to recognize the high humanitarian value of this action, and we are therefore certain of being able to count on your support. May God guide you in all your decisions."

The telegram to British Prime Minister Thatcher reads as follows:

"As representative of the British Community Council in the Republic of Argentina, I turn to you for the purpose of requesting the cooperation of your government to permit the evacuation of all minors who are now in the Malvinas Islands. In order to undertake this, we believe it will be necessary to declare a temporary cease-fire and permit a neutral ship sponsored by the International Red Cross to conduct these children to continental Argentina. We are ready to accept any other suggestion that you may make regarding this matter. We intend to lodge these children in the homes of community members, where they will be cared for and will lead a normal life as far as possible under the present circumstances.

"We have made contact with President Galtieri so that we may be permitted to undertake this operation and we are expecting an immediate answer from him in order to be able to implement the operation and save the lives of these childern. We continue praying for peace and that no more lives be lost as a result of this conflict."

FRUGOLI SAYS UK FORCE USING ILLEGAL WEAPONS

PY182247 Buenos Aires TELAM in Spanish 1945 GMT 18 May 82

[Text] Bahia Blanca, 18 May (TELAM) -- Defense Minister Amadeo Frugoli today asserted that the presence of nuclear submarines in the South Atlantic represents a violation by Britain of the nuclear nonproliferation treaty, and stressed that U.S. support for Britain is a factor that has favored the hardening of the British Government's position and its persistence in a mistaken attitude.

Talking to Radio Bahia Blanca, Frugoli referred to the weapons, which are not mentioned in international agreements, remarking that there isn't really a definite sanction for this kind of violation; there is the regulation set forth by the 1907 Hague Convention, which naturally was written and signed without taking into account the existence of modern weapons.

He added: However, that convention established two major principles: First, none of the parties has an unlimited right to chose the means to fight its enemies; second, which is a very significant principle, indiscriminate damage should be avoided. He said that the 1980 Geneva Convention was approved later, banning the use of mines or of booby traps thrown from a distance. This may be the case with some types of bombs used lately. But it can also be remarked that the international rules set forth in the nuclear nonproliferation treaty have been violated.

Concerning this last point, Frugoli stressed that the presence of nuclear submarines may be violating the above treaty, since they are weapons driven by nuclear energy. He said this has raised serious concern in Latin America because of the possibility, for example, that the sinking of one of these vessels could raise serious difficulties regarding environmental pollution. He said: This is serious, of course, because it is a violation of the nuclear nonproliferation treaty and it is naturally a cause for concern to all countries which have promoted the use of nuclear energy for peaceful purposes, as we do. I might also mention the flagrant violation by the British Navy of rules protecting shipwrecked people and civilians.

Asked about statements in which he said he would make important disclosures regarding the conflict in the south later, he said: "What I wanted to say is that many events have taken place during the warlike actions of the British aggression which have not been published for reasons of military secrecy, which of course is based on tactical principles. But all that information, which will be made known sometime, will be of much interest to international opinion and, obviously, to public opinion in Britain."

Asked whether the U.S. Government was intervening in international organizations in a certain way, Dr Frugoli said he could not make any categoric assertion to that effect, because he does not possess sufficient information. But I do wish to say that the fact that the United States is on the side of Great Britain is naturally a factor that favors the hardening of the position of the British Government and the obstinacy of its error, he said.

He added that the United States is a country with a very significant influence in the international sphere because of its high level of development. I am nursing the hope that it will become aware of the seriousness of the situation it may create and which has already been created to a certain extent in Latin America because it ignored the resolution adopted by the foreign ministers meeting in the framework of the Inter-American Reciprocal Assistance Treaty. It should also realize that this is the first time the United States has supported an extracontinental power that has colonialist aims, is attacking an American country and shedding American blood.

In conclusion, asked about the possibility of a decision by Congress to resume modest military aid to several countries, Argentina among others, he said: "I have no official report regarding such a decision by the United States, so I cannot make any comment on this; I have no information."

LAMI DOZO SAYS AIR FORCE READY TO ATTACK

PY181838 Buenos Aires TELAM in Spanish 1123 GMT 18 May 82

[Text] Buenos Aires, 18 May (TELAM) -- Air Force Commander in Chief Lt Gen Basilio Lami Dozo has asserted that the air force's offensive power "continues to be exactly the same as it was on 1 May, and once the British forces are located precisely and within the range of the weapons systems we have, we will stage a massive attack against them that will be similar to or larger than the one on 1 May."

Lami Dozo made a statement at Jorge Newbery metropolitan airport on his arrival from Comodoro Rivadavia last night, where he had visited the troops there. Consulted on the present conditions in the area of operations, Lami Dozo said: "we have everthing ready, the same as before. The morale of all personnel is excellent and we are awaiting the development of events."

Making a brief analysis of the actions carried out to date, Lami Dozo stated that the air force has performed very efficiently and is ready to continue as it was before. He that offensive power contineus to be exactly the same as it was on 1 May. Asked why a massive operation has not been carried out against the British fleet, Lami Dozo replied: "First of all it must be located precisely and be within the range of our weapons systems. Once this happens, we will carry out a massive attack against them, which will be similar to or larger than the one on 1 May."

As for the nogitations at the United Nations, Lami Dozo noted that "the Argentine position has always been the same; we may have used different words at one time or another, but it has not changed at all. This is a subject in which we believe we will reach a settlement. But for a settlement to be accepted by Argentina, it must be in keeping with the interests Argentina is defending. In other words, the flag will not be (?hauled) down."

Lami Dozo noted that Argentina is neither a pacifist nor a warmongering country. It defends its interests and resorts to the most suitable means. It tries to do this at the lowest possible cost, because every country wants its interests and objectives to be achieved at the lowest possible cost.

Asked whether he is optimistic over the outcome of the present problem, Lami Dozo replied: "I have faith in my country, and I think this is enough." Lami Dozo concluded by saying that the people in Comodoro Rivadavia fully support the armed forces, and they are continually giving all kinds of aid.

MILITARY GOVERNOR DESCRIBES ISLAND SITUATION

FY181606 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1520 GMT 18 May 82

[Text] Buenos Aires, 18 May (NA) -- Gen Mario Benjamin Menendez, military governor of the Malvinas Islands, said here today that he had "no doubt whatever" that the Argentine Air Force is able to attack the British fleet whenever it wishes to do so. He said that "the Argentine people can rest assured that the troops that have been assigned to defend the islands will know how to live up to the commitment that they have made." The Malvinas governor held a telephone conversation with journalist Enrique Llamas de Madariago on Radio Rivadavia. During the conversation, Mendendez praised the high spirit of the Argentine forces.

Menendez said they were enduring "typical winter weather in the Malvinas, which is characterized by strong winds. However, we are all in perfect condition." He asserted that "perhaps the situation is more tense in Buenos Aires than it is here."

"Of course," he added, "we are bothered by actions which are carried out indiscriminately against various areas where our positions are located and in various emplacements where the troops are stationed. Merchant ships transporting provisions for the islanders, who have been asking for supplies, were attacked." "All this," Menendez continued, "allows the British to carry out ever more increasing harrassment and to tighten the blockade around the islands. However, I can guarantee that the spirit of the soldiers continues to be outstanding and their general condition is remarkably good from the military viewpoint."

Consulted on statements General Lami Dozo made last night regarding a large-scale attack against the enemy when it is within a specific distance, Menendez replied: "I do not doubt it because I know of the capability of our air force, and I would like to recall that Argentina has been acting very prudently to date."

"On 1 May," he added, "the enemy learned the boldness of our air force. This happened again on 4 May, when the air force acted again and destroyed the Sheffield after the General Belgrano was sunk outside the exclusion zone. Later, when the frigates came in and bombarded Puerto Argentino, the air force carried out another attack and damaged some British ships."

Asked about the airlift between the mainland and the Malvinas Islands, Menendez replied: "That is subject to the decision that the Military Committee makes, subject to the possibilities here in the area of Puerto Argentino and to our needs. For this reason we cannot speak of a complete suspension of the airlift." He also pointed out that "they continue indiscriminately to attack the airport zone. They come at great altitude and drop a bomb almost every day, but our air force based here are able to attack the enemy planes and give the necessary protection if they wish to do so or feel the need for it."

He said that he did not miss the mainland at all, except for the contact with his family, but that "at present our minds are fully set on fulfilling the mission we have been entrusted with: To defend the Malvinas in the best way possible."

When it was mentioned to him that in only 22 days the British have admitted having lost two helicopters on South Georgia Island and are now saying that Argentine planes are following the Hermes, the governor stated that he was very pleased that "Britain was forced to make public a number of reports we had handled in an objective manner." He added that "little by little the British, after having tried to pretend before the world that this punitive expedition was merely to settle accounts at no cost, have been forced to acknowledge quickly what they knew from the beginning: That they could not disseminate false reports to the world and to their own people."

Regarding the repeated British threat of landing on the Malvinas, Menendez stated that the "landing can obviously take place, despite Argentina's decision to negotiate within the UN framework. Anything can happen on the British side but, well, we are prepared, we are waiting and I repeat again that the spirit of the forces under my command is high and strong, that their strength will be enough for them to fulfill their mission." Menendez noted: "When I was designated to hold this post, my designation was not a mere administrative procedure for me to be here for only a few days. The Military Committee designated me military governor of the Malvinas, and a governor is not someone who holds his post for only a weekend."

Menendez was asked for a message to the Argentine people in his capacity as governor of the Malvinas. He asked the Argentine people to "continue to give the world the wonderful lesson of unity, coherence and force that they have been giving it so far." Menendez added: "At a 'given time' an attempt was made to influence the Argentine people, to make them believe that the action carried out by Argentina was a mere whim of their government. However, it has been proven that this is not so. Moreover, the Argentine people can rest assured that the troops that have been assigned to defend the Malvinas will know how to live up to the commitment they have made."

GOVERNMENT BANS ENTRANCE OF PERONIST LEADERS

PY182022 Paris AFP in Spanish 1952 GMT 18 May 82

[Text] Lima, 18 May (AFP) -- The Argentine military government today prohibited the entry of two high-level Peronist leaders who wanted to join their country's struggle with Great Britain over the Malvinas.

The Peronist leaders were ready to travel with a Latin American political solidarity delegation that left from Mexico. In a cold interview that lasted 2 minutes, the Argentine ambassador in Lima, Rear Adm Luis Sanchez Moreno, told former Buenos Aires Governor Oscar Bidegain and former Cordoba Governor Ricardo Obregon that the military regime had refused to grant them even temporary visas.

INFORMATION SECRETARY PRAISES NATIONAL MEDIA

PY181456 Buenos Aires TELAM in Spanish 1115 GMT 18 May 82

[Exceprts] Buenos Aires, 18 May (TELAM) -- Rodolfo Baltierrez, public information secretary of the presidency, last night stated: I believe we are highly informed, that we are as well or better informed than the public of other countries and other capitals and that we are reporting in a responsible manner. Baltierrez, who spoke on a television program, added: I would say that regarding information, the national public is served by responsible, highly responsible, national media. When I refer to the national media, he added, I refer to the newspapers published in the greater Buenos Aires and the other media which the citizens of Buenos Aires often do not come across: the media in the interior.

The public information secretary explained: I am naturally also referring to the responsibility and objectivity of the other modern media, such as television and radio, and I even make this unbiased praise of the national media extend to fellow countrymen working as correspondents in other cities of the world. He also praised the work of the war correspondents, who during these past few days have carried out their jobs in a fearless and responsible way in the theater of operations. He stated that the national media has understood the subject; it presents it to its readers, listeners and viewers in a knowledgeable manner and [words indistinct] in my capacity as public information secretary of the presidency gives me great pleasure in pointing it out.

He said that during the past few days the BBC has been broadcasting reports like those old Argentine soap operas: At times it produces highly sentimental programs, at other times it says things that are not true. Baltierrez pointed out that the continental media, that of the Latin American countries, right from the beginning and before the conflict, supported the Argentine position. He added that according to reports, the Foreign Ministry is carrying out an important task of making explanations abroad. Baltierrez stated that in many European capitals there is a tendency to clarify the situation, such as the case of Italy, Spain and a vast sector of the FRG.

He ended by stating that it seems that some sectors of the U.S. media interested in certain continental issues, are already beginning to say something we Argentines were certain of: That we are in a firm position of high national honor. Baltierrez made these statements during a program of a purely journalistic nature broadcast by channel 9 on Mondays at 2230.

'INTENSE NAVAL BOMBARDMENT' OF ISLANDS REPORTED

PY182157 Buenos Aires Domestic Service in Spanish 2142 GMT 18 May 82

[Joint Staff Communique No 63]

[Text] The Joint Staff reports that military actions in the Malvinas operation zone during the past 24 hours have been limited to intense naval bombardment, which was repelled by our own forces, as well as to reconnaissance flights by British aircraft that could not be completed due to fire from antiaircraft batteries.

BRITISH SOLDIERS SAID CAPTURED ON MAINLAND

PY191250 Paris AFP in Spanish 1230 GMT 19 May 82

[Text] Buenos Aires, 19 May (AFP) -- According to a report in the newspaper CLARIN, citing military sources, seven British soldiers were captured on the mainland near the southern city of Rio Gallegos on the Atlantic coast.

According to the paper, the group includes three officers and four noncommissioned officers, who had landed on the Argentine coast at a spot 25 km (?north) of Rio Gallegos, Santa Cruz Province.

CLARIN states that the military believes that a large landing operation on the Malvinas Islands must necessarily be preceded by some attempt to put the Argentine Air Force on the continent out of action.

The CLARIN report ends by stating that the group had tried to infiltrate and evaluate possible objectives.

No Details

PA191226 Madrid EFE in Spanish 0824 GMT 19 May 82

[Excerpts] Buenos Aires, 19 May (EFE) -- According to the newspaper, the British officers tried to infiltrate the mainland area to explore possible military objectives which would have facilitated a landing operating in the Malvinas. The report does not explain when or under what conditions the British officers were arrested. According to CLARIN, they had landed 25 km north of Rio Gallegos.

Report Promised

PY191324 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1318 GMT 19 May 82

[Excerpts] Buenos Aires, 19 May (NA) -- Asked about a report that seven British soliders had been captured near Rio Gallegos, a military spokesman said: "A report on whether or not this incident is true will be issued today."

ARGENTINA NOT USING SOVIET SATELLITE, SAYS TAKACS

PY191253 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1239 GMT 19 May 82

[Text] United Nations, 19 May (NA) -- Esteban Takacs, Argentine ambassador to the United Nations, said today on ABC television that "the intransigence of the British will cause bloodshed." He added: "We do not need the Russians to defend ourselves."

Takacs, who was on the ABC "Today" [as received] program, noted that "it is not true that the satellite launched by the Soviets just 48 hours ago is supplying information to the Argentines."

Asked why Argentine has still not launched a counterattack, Ambassador Takacs answered: "We have not launched a counterattack because we still believe in negotiations."

MILITARY HIGH COMMAND DEEMS COUNTRY UNDERARMED

PY190415 Sao Paulo Radio Bandeirantes Network in Portuguese 0230 GMT 19 May 82

[Text] Deputy Alipio Carvalho, a member of the PDS -- Social Democratic Party -- and chairman of the National Security Commission of Congress, has reported that the conclusion reached during a meeting held by the high military command in Brasilia today is that Brazil is militarily underarmed. Therefore, the matter will have to be discussed during a meeting to be held next month by the National Security Commission.

The commission's chairman added that Brazil is militarily inferior to most countries, including Argentina, where about $300 per capita is spent on military equipment.

WAR RATE ESTABLISHED FOR MERCHANT SHIPS

PY190341 Brasilia Domestic Service in Portuguese 2200 GMT 18 May 82

[Excerpts] Transportation Minister [as heard] Cloraldino Soares Severo today visited the National Merchant Marine Superintendency -- SUNAMAM -- in Rio de Janeiro.

The minister referred to the war rate [taxa de guerra] that will be enforced starting 27 May 1982 in the South Atlantic, which will substantially increase insurance costs for merchant ships. He added that nine Brazilian ships have already sailed through the Malvinas area without any sort of difficulty, within a 12-mile distance off the Argentine coast, outside the exclusion zone established by the British Navy.

FUNDS REQUESTED FOR ANTARCTIC EXPLORATION

PY190402 Brasilia Domestic Service in Portuguese 2200 GMT 18 May 82

[Text] Navy Minister Maximiano da Fonseca today asked Planning Minister Delfim Neto to provide the necessary funds to buy a ship for the exploration of the Antarctic continent. The ship's cost, to be paid over a 5-year period, is 7 billion cruceiros.

Da Fonseca added that Brazil will go to the Antarctic no matter what, also giving assurances that the deal concerning the ship for the expedition is almost closed.

ADMIRAL DEFENDS ARRIVAL OF UK HOSPITAL SHIP

PY190236 Brasilia Domestic Service in Portuguese 2200 GMT 18 May 82

[Excerpt] Adm Paulo Bonoso Duarte Pinto, commander of naval operations, today told reporters that the arrival at the port of Rio de Janeiro of the British hospital ship HMS Herald to land a wounded sailor is perfectly normal and it falls under the Geneva Convention. He said that authorization was requested of Itamaraty yesterday. Concerning the ship, Adm Bonoso Duarte said:

[Begin Bonoso recording] The old oceanographic ship HMS Herald was converted to a hospital ship in April. This situation is absolutely covered under the Geneva Convention which sets forth what should be done with a hospital ship. [end recording]

The ship is painted in a light color with red crosses on its sides, sailing alone and complying with all regulations established in the 1949 Geneva Convention, which Brazil has also signed.

Adm Bonoso Duarte remarked that as a hospital ship, the HMS Herald does not belong to the convoy, it has no military escort and it cannot use communication codes.

ARMY SAYS TWO M-19 COLUMNS ELIMINATED IN SOUTH

PA171925 Bogota Cadena Radial Super in Spanish 1730 GMT 17 May 82

[Text] Cali -- Senior military officers meeting here to analyze the conflict in the southern part of the country today confirmed that the counterguerrilla operation in Putumayo Intendency has ended with the destruction of subversive redoubts in that area.

Reporting on the results of the struggle, Gen Manuel Jaime Guerrero Paz, 3d Brigade commander, said 46 guerrillas were killed, 3 captured and 1 wounded. He added that the military operation in Putumayo led to the destruction of 19 April Movement, M-19, columns led by Ivan Marino Ospino and Renberto Artinduaga, alias (Yuri). General Guerrero added that although there are still small insurgent groups, the military operation in Putumayo Intendency has ended in view of the fact that the bases of the insurgents who operated in the area have been destroyed.

The brigade commander is meeting at this moment with the Cauca, Valle, Narino, Huila and Putumayo Intendency governors. They are discussing the situation in the southern areas of the country.

M-19 Casualties

PA170442 Buenos Aires LATIN in Spansih 2044 GMT 15 May 82

[Text] Bogota, 15 May (LATIN-REUTER) -- Three guerrillas were killed, one was injured and five were arrested, all presumably members of the leftist 19 April Movement (M-19), as a result of military operations, according to a report issued today by the Colombian Army. The presumed leader of the M-19's so-called "Coffee" regional unit, operating in the western part of the country, is reportedly among the prisoners.

The army said the guerrillas attacked a train on 26 February in the western part of Colombia and were in possession of arms, ammunition and subversive propaganda stored in a house in Armenia, a coffee center some 400 km from Bogota.

The army also reported that in an armed action between an M-19 cell and a police patrol in Cartago, 500 km southeast of Bogota, two rebels accused of the murder of a Cali newsman were killed and another was wounded. The command added that an M-19 guerrilla was killed last night in Armenia. He had posted himself in a cafeteria, taking two hostages and fighting off soldiers for an hour.

Puerto Torres Attack

PA172158 Bogota Cadena Radial Super in Spanish 1730 GMT 17 May 82

[Excerpt] Florencia -- A group of 22 men believed to be members of the 19 April Movement (M-19) occupied the Puerto Torres customs post a few hours ago. The insurgents took approximately 5 million pesos in food and drugs. Heavily armed with submachineguns and pistols, the rebels entered the customs post, located in Belen de los Andaquies jurisdiction, and harangued the residents with revolutionary slogans against the upcoming elections.

Steal Dynamite

PA172123 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 17 May 82

[Excerpt] Cali -- A group of alleged members of the outlawed 19 April Movement [M-19] stole a large shipment of dynamite after killing the watchman in charge of the explosives' storage shed at a privately-owned quarry. Police confirmed that the attack was carried out at km [figure indistinct] at La Trinidad construction company, on the road from Cali to Buenaventura around midnight last night.

HURTADO QUESTIONED ON ECONOMY BY JOURNALISTS

PA181327 Quito Domestic Service in Spanish 0134 GMT 17 May 82

["Dialogue -- The President and the Newsmen": Interview with President Hurtado by journalists from Ecuavisa television, EL COMERCIO, EL MERCURIO and EL TIEMPO on national radio and television network — live]

[Excerpts] [Question] Mr President, for the Ecuadorean people the most important topic is the currency devaluation you have implemented in accordance with a Monetary Board suggestion. An extreme measure has been adopted. According to the government, every effort had been made to check the present economic crisis and to avoid the adoption of this measure. Mr President, additional pressure is being exerted on the price index through this devaluation. If the necessary measures are not adopted, we run the risk in the short or long term of a new devaluation. The government has already announced a reduction of 3 billion sucres in the budget. However, a 32 billion-secure deficit still remains, which represents 50.8 percent of the general budget. How will the government finance this deficit so that it is not inflationary?

[Answer] I would begin by informing the people of something they should know: The change in monetary parity, which is commonly known as devaluation, is fully my responsibility. This was neither discussed with nor decided by the Council of Ministers. Nor was it discussed or decided along with the political parties in the government. I made the decision alone, and I asked the Monetary Board chairman and the finance minister to take the necessary actions to carry it out.

The devaluation will increase the state's revenues. Presently oil constitutes the basis of our exports. According to the Central Bank's estimates, this decision will probably enable the public sector to receive complementary revenues to finance the deficit to which you have referred.

[Question] How would you finance this deficit, Mr President?

[Answer] The deficit can be financed only by means of the following devices: Reduction of the public expense. This is a decision the government has already made. Not only the central government's public expenses, however, but those of the municipalities, provincial councils and autonomous institutions. Second, through indebtedness. There is no other way. Third, through improvement [as heard] of collections. Finally -- and we will probably touch on this again later on -- through improvement [as heard] of the tax burden. These are the only means of financing the deficit.

[Question] If I'm not mistaken, our public debt interest servicing amounts to $907 million. Do you think, Mr President, this debt servicing can be met through this devaluation and the adoption of these economic measures?

[Answer] The interest does not amount to $900 million; it amounts to approximately $600 million. It is good to remember that while in 1979 we paid only 300 million for this, we now have to pay twice as much. The devaluation will not solve Ecuador's economic problem, which is much more complex and profound. The solution for the external imbalance of our economy on a medium or long term basis can be found only through the substantial increase of our exports. I have referred to this subject repeatedly.

We are trying to conduct the economy under the most favorable terms possible for the best results for the country. However, solutions cannot be achieved on a short-term basis when the dictatorship did little or nothing to increase our oil reserves. This is what we are doing now.

We are working on behalf of the next constitutional government, which will be faced with fewer difficulties than we have had because it will find a healthier economy. All these elements lead me to believe that in a few more months the economy could becoem stronger, especially if one considers the possibility that the international economy might improve.

[Question] Mr President, I would like to ask you about these complementary measures. A currency devaluation may not be timely at this moment, and one of the ways to gauge the effectiveness of an economic measure is its timeliness. If this is not advisable at this time, what alternatives will be adopted? Will alternatives be planned, or have they already been planned? What is the political cost of this? What social and political cost will it have? How will you minimize the social cost?

[Answer] The political cost concerns me in the sense of stability of the democratic system, but personally I am not concerned because I am not in the government to receive applause but to solve the problems of the country by economic management. I could have left the devaluation to the next president but I did not want to do this because the country's interests and the Ecuadorean people's interests are above political considerations.

Let us begin with the agricultural sector. The government has decided that the excess sucres received by the banana, coffee and cacao exporters should go to the producers. The agriculture minister is already working on this, and it will be made public sometime this week.

Second, the government is examining the problem of wage deterioration. Please remember that, unlike the time of the dictatorship, the average increase in the cost of living for 1979 and 1981 was 15 or 16 percent, whereas the average salary increased by 66 percent each year. Therefore the democratic government has recovered the purchasing power of salaries. You also have to remember that we have just approved a reform of the income tax law that, in practice, also means an improvement in wages. Last year and this year we increased commissions, and with this the workers' wages. Similarly, we want to increase work [as heard] so as to accomodate wages according to the increase in the cost of living.

But in Ecuador it would be wrong to see the problem of the Ecuadorean people from this viewpoint, because not all Ecuadoreans receive a salary. A majority of Ecuadoreans receive no salary. These are the downtrodden, to whom this government has given most of its social work. We are going to increase the rural integration development programs, lots with sewage facilities and rights of way, low-cost housing, credit for the small producers. This group of measures will lessen the negative effects, that are not as great as many say, and that could be the cause of the devaluation.

[Question] Mr President, apart from the wage revision that is being announced, you mentioned a few minutes ago the tax burden. Does this mean there will be lesser taxes for the Ecuadorean people?

[Answer] In this country we have been accustomed to asking the state for everything and giving nothing in return. But where does the state got its resources? From the Ecuadorean people. The tax burden in the European countries is 20, 30 or 40 percent. In our country, using oil as an example, the tax burden in 1976 was 14 percent; in 1979 it went down to 12 percent and it dropped further in 1980. In 1981 we raised it to 12 percent. With this, I do not want to tell you that it is necessary to create taxes, but we have to increase collections significantly.

[Question] Undoubtedly you are right. How can one perform miracles when there is no productivity? Do you believe the measures adopted by your government to promote confidence in the agricultural sector and increase investments in agriculture are enough? Are these measures sufficient so that no others are needed for greater production? I want to remind you, Mr President, of the many (?land takeovers) in the history of our country. To what extent has the government intervened effectively to give greater security to the farmers?

[Answer] I met with agricultural entrepreneurs a few days ago. I told them what I will say to you now: I believe the best incentive for agriculture is prices. The problem, I believe, is not in the insecurity of land ownership; the problem is that some agricultural sectors -- not all; because the cattle sector has progressed extraordinarily well and it is on a par with the cattle sector of any Latin American country -- have not made any progress. Certain banana plantations have made some progress, but others haven't. We cannot compete if we do not improve the productivity of certain agricultural exports. This is not the responsibility of the government but of the private sector.

[Question] Mr President, one of the instruments of this government is the national development plan. The plan you drafted at the National Development Corporation when you were vice president listed three basic goals: Economic development, social justice and the strengthening of democracy. However, some government sectors are criticizing the model of growth this plan advocates. The criticism is that the monetary reserve has decreased to a critical level, that there is a standstill in exports and an increasing unemployment rate and that there are many problems in our economy. Can it be said that the objectives of the plan were achieved, that is, economic development, social justice and the strengthening of democracy?

[Answer] Regarding the strengthening of democracy, I believe that at this time the country's situation is substantially different from previous periods. I believe the democratic regime is consolidated. Perhaps this is one accomplishment the government can claim. Regarding economic development, Ecuador is one of the few Latin American countries that has a 4.6-percent GNP rate. This is an example for Latin America, because almost all Latin American countries have growth rates from 1 to 2 percent and some even have negative rates. Then it must be said that we have increased economic growth under difficult conditions. I only gave you one example, just to shorten the answer, but this is a very complex problem.

Regarding social justice, in answering previous questions I noted that for the first time in many years the people's purchasing power has not only been maitained, but improved. The salary increases have been much higher than the increase in prices. Furthermore, Ecuador can say proudly that it currently has a 12-percent inflation rate according to the new index and 13 percent according to the old one. The new index includes 12 cities and a new list of staples in line with Ecuador's contemporary life. Meanwhile, the average inflation rate in Latin America is 60 percent.

I think a government of national unity would be unsuitable, and the present circumstances don't call for it. This is because it would mean putting the extreme right and the extreme left in the government, and this would mean anarchy. It is better to have a government with progressive sectors of the nation, with the concentration of popular forces, the CFP, for which the Ecuadorean people voted in 1978 and 1979. When the people voted for the CFP it was because they wanted the CFP to govern. So why are some trying to deny us this right?

It is possible there could be social conflicts. I would like to urge the Ecuadorean workers and people to help us overcome this crisis and go forward. It has always been believed that the problem of the workers is their salary. I think there is a more important problem; keeping their jobs.

If we are not able to overcome this critical period, if the country does not cooperate, if businessmen don't help the government and if the workers don't help either, our difficulties will increase and we will run the risk of facing the same situation in Ecuador as is taking place in other countries in Latin America and the world, with the closing of economic activities and the loss of employment sources. The main concern of the government right now is to prevent the workers from losing their jobs.

Regarding this, I ask the Ecuadorean workers to realize that we are facing a very complex situation, and along that same line the government is asking businessmen not to make excessive demands, to criticize too harshly or to conduct any boycotts -- or at least not too many. I am also asking the workers not to adopt extreme positions.

[Question] In view of the changing political situation, will there be cabinet changes in the near future? Will there be any surprises in this regard?

[Answer] I like stability. It takes a minister 1 or 2 months to master his job. Therefore I prefer not to have any changes in the government until 10 August 1984. Unfortunately, sometimes there are health, employment or political problems, but I am not interested in, nor am I enthusiastic about, cabinet crisis. On the contrary, I always encourage the ministers to work with the team and to feel secure about their jobs.

On another subject, the government has no plan for, and has never thought about, taking any action in the Chamber of Representatives against the vice president of the republic. I think this is what you wanted to know.

OIL MINISTER NOTES TOPICS OF QUITO OPEC MEETING

PA180431 Buenos Aires LATIN in Spanish 2155 GMT 15 May 82

[Excerpts] Quito, 15 May (LATIN-REUTER) -- Ecuadorean Oil Minister Eduardo Ortega said today that OPEC is "the only instrument the developing countries have for bargaining with the industrialized nations." Ortega is presiding here over preparations for the 64th regular meeting of OPEC, which will open in Quito on Thursday. The minister expressed the opinion that after the meeting "within a short time it will be possible to hold talks between consumer and producing countries to establish clear and adequate rules for the oil trade."

In a statement to the press on the meeting, Ortega said certain customary topics would be discussed, such as an economic report and a study on how to make the organization more efficient. The agenda will also include discussion of a long-term strategy for the organization. For consideration of this topic, a special committee was established during the meeting in Taif. Basic considerations in this strategy are OPEC's relations with the industrialized world and its ties to nonoil-producing Third World countries. Ortega said this strategy, which may be approved in Quito, establishes that the organization's relationships are not only "North-South," but also basically "South-South."

In this regard, the agenda includes a proposal made by Venezuela and supported by Ecuador to establish an OPEC higher studies institute to insure transfer of technology from the developed to developing countries.

The Quito meeting will also receive a report from a follow-up committee formed by OPEC at its last meeting in Vienna to discuss the topic of trade. "According to that report, the crude market is being strengthened as a result of the OPEC countries' decision to reduce production," Ortega said.

Ortega said Ecuador plans to increase production at the end of the year by 25,000 barrels a day and by another 15,000 a day in 1983. It will, therefore, try to get OPEC to modify its decision on the reduction of local production.

PRESIDENT SAYS U.S. BIG LOSER IN CONFLICT

PY181935 Buenos Aires TELAM in Spanish 1741 GMT 18 May 82

[Text] Caracas, 18 May 82 (TELAM) -- Venezuelan President Luis Herrera Campins stated today that the country that will be most seriously harmed by the South Atlantic conflict will be the United States, because of its alignment with Great Britain and its ignoring the Inter-American Reciprocal Assistance Treaty (TIAR).

Herrera Campins stated that his country has stayed on the Argentine side with an outstanding spirit of Latin American solidarity at this difficult moment, adding that the United States made a serious mistake when, practically without advancing any further in its task, it dropped from the position of mediator, taking sides in the dispute.

The Venezuelan president indicated: "That is why in my letter to President Reagan I told him that America was astonished, hurt, disconcerted and frustrated because of the attitude of the United States."

Herrera Campins added: "I hope that the future positions taken by the United States in relation to this crisis will not contribute to increasing such Latin American feelings, but it is already clear that the country which will lose the most in this confrontation between Great Britain and Latin America will be the United States of America."

The Venezuelan chief of state also mentioned his country's delegation which is touring Europe on a solidarity mission with the Argentine cause. He said that the mission met yesterday with King Juan Carlos of Spain, as an exception, since it was a day on which the monarch traditionally meets only with the military.

Herrera Campins concluded: "The Malvinas problem is not only a military problem. It has various features; one of a political and diplomatic nature, others of economic nature, and of course many of a legal nature. My country's mission is determined to inform Europe of the Latin American, Venezuelan and Argentine reasons that put our continent on the side of the great southern republic."

WARSHIP PATROLLING COAST AGAINST PIRACY

PA182339 Caracas Radio Continente Network in Spanish 2100 GMT 18 May 82

[Text] The Venezuelan Navy has placed one of its warships off the coast of Paria, in Venezuelan territorial waters, armed forces spokesmen reported today. The sources explained that the vessel's mission is to keep a permanent watch in the area where Venequelan fishermen have been the victims of piracy by Trinidad and Tobago seamen. The spokesmen added that Venezuela will thus insure its sovereignty in that sector and protect our fishermen.

CHILEAN MIR'S ALLENDE ARRIVES, SEEKS SUPPORT

FL181230 Mexico City NOTIMEX in Spanish 0056 GMT 18 May 82

[Excerpt] Mexico City, 17 May (NOTIMEX) -- Andres Pascal Allende, exiled leader of the Chilean resistance, arrived in Mexico today after leaving Chile secretly, the Movement of the Revolutionary Left (MIR) announced here. Pascal Allende, nephew of former Chilean President Salvador Allende, is one of Gen Augusto Pinochet's military government's most wanted opposition leaders.

A communique issued by the MIR, of which Pascal Allende is secretary general, stated that he came to Mexico to meet with members of the Chilean opposition living here, and at the same time solicit "greater international support for the Chilean people's struggle."

Pascal Allende is trying to bring about unity among his country's political factions in order to bring down the military government that has been in power since the 1973 coup d'etat, when President Allende was killed defending the Palacio de la Moneda in Santiago de Chile.

Press Conference

FL182330 Mexico City NOTIMEX in Spanish 2245 GMT 18 May 82

[Excerpts] Mexico City, 18 May (NOTIMEX) -- Andres Pascal Allende, leader of Chile's Movement of the Revolutionary Left (MIR) today warned the government of his country that it will have to face a great popular uprising soon. During a press conference held at the headquarters of the Latin American Federation of Journalists (FELAP), the nephew of the late Chilean President Salvador Allende stated that agitation has been stepped up in Chile after the economic failure of the administration headed by Gen Augusto Pinochet. "Popular and workers organizations that had been under fire are now reorganizing its cadres and the people in general are setting up committees to defend their rights, while sabotage, mobilization of masses and armed clashes are increasing throughout Chile," Pascal Allende reaffirmed.

Pascal Allende guaranteed that most of the opposition forces in Chile have managed to agree on common actions against the government, he added that approximately 2,500 persons have disappeared for political reasons since the military coup d'etat and that 600 prisoners (presumably political) are being held at the 15 prisons of that country.

BILATERAL TALKS ON OIL BEGIN WITH VENEZUELA

FL181600 Mexico City NOTIMEX in Spanish 2315 GMT 17 May 82

[Excerpt] Mexico City, 17 May (NOTIMEX) -- The Secretariat of Foreign Relations deputy secretary for economic matters said today that the disadvantages prevailing in the world oil market run the risk of returning to the era of market wars. Jorge Eduardo Navarette made that point at the beginning of the third Mexico-Venezuela joint cooperation meeting.

The official stressed that the two countries, as active members of the oil world market, face an unfavorable situation due to difficult development prospects. He said that Mexico wants to contribute to price stability in the oil market and to a greater rate of growth without affecting or limiting the prospects of development for producing and exporting countries, as OPEC has agreed to do. Navarette said that Mexico and Venezuela, through the San Jose accord, have demonstrated a definite attitude which shows in practice the possibility of responding to and favoring the more needy countries by supplying low-priced oil to Central America and the Caribbean.

U.S. REPLY AWAITED TO NOTE ON EXPEDITIOUS PASSAGE

PA152140 Panama City LA REPUBLICA in Spanish 13 May 82 p 11

[By Eurindia Cordoba]

[Excerpt] The U.S. Government still has not replied to a note from the Panamanian Foreign Ministry requesting an explanation of the expeditious passage through the canal which was granted to British warships. The expeditious passage was granted in violation of the clear and strict stipulations of the Torrijos-Carter neutrality treaty.

The treaty stipulates that, in time of war, [expeditious] passage shall only be given to Panamanian and U.S. warships.

Manfredo Refers to Issue

PA180228 Panama City Circuito RPC Television in Spanish 1715 GMT 17 May 82

[Interview with Fernando Manfredo, deputy administrator of the Panama Canal, by Arnulfo Mendoza, Circuito RPC Television reporter, on 17 May in Panama City -- recorded]

[Excerpt] [Question] How are the negotiations on the traffic of warships through the Panama Canal coming along? As we all know the expeditious passage of British warships through the Panama Canal has created a conflict.

[Answer] Yes, these were two auxiliary vessels of the British Navy which were granted priority treatment, which is given to all warships no matter to the country they belong. It was not expeditious passage as stipulated in the treaty. Nevertheless, the occasion is right now for Panama and the United States to get together and review what control should be applied to warships going through the canal, which by the nature of their cargo and other reasons demand special treatment for the security of the Canal and Panama. It is probable that when the Canal Commission board of directors meets again, some control will be proposed to be applied to these vessels to differentiate them from nations that are at war and those that are not.

COSTA RICAN OIL PIPELINE CONSIDERED NO THREAT

PA190130 Panama City ACAN in Spanish 1904 GMT 18 May 82

[Excerpts] Panama City, 18 May (ACAN-EFE) -- The construction of an interoceanic oil pipeline in Costa Rica will not affect the operations of the Panamanian oil pipeline, according to Jose Arosemena, general manager of Petromineral of Panama.

He explained that at present the oil that crosses the Central American Isthmus is produced in Alaska and the Panamanian pipeline has agreements with three clients that control between 70 percent and 80 percent of the crude.

"We consider it strange that the Costa Rican Government should make such studies when most of the customers are already committed," Arosemena said.

He added that the Panamanian pipeline will cross Chiriqui and Bocas del Toro Provinces, which border Costa Rica, and that the transportation of the oil through the pipeline will begin next November at the latest.

EL SALVADOR

CHIEF OF STAFF SAYS GUERRILLA WAR TO END 'SOON'

PA180452 Panama City ACAN in Spanish 2030 GMT 17 May 82

[Text] San Salvador, 17 May (ACAN-EFE) -- Col Rafael Flores Lima, armed forces chief of staff, said today that the war against the guerrillas has not ended, but will end "soon."

Speaking during a news conference, the military officer said that "a subversive process does not end quickly, but it has been on the wane in El Salvador because of the efforts of the armed forces and we believe that although not tomorrow, it will end soon." Flores Lima explained that there are still guerrilla camps in Chalatenango and Morazan departments, in the eastern part of the country, and in San Vicente and around Guazapa Hill in the central zone.

The officer added that the army's present antiguerrilla operations are limited in scope, since there is no need for large-scale operations. However, Flores Lima said that each military detachment carries out combing operations in its own part of the country, independent of the armed forces general staff.

The chief of staff reported that battalions specialized in antiguerrilla warfare, such as the Ramon Belloso and Atonal battalions that were trained in the United States, will soon go into operation in the country. The Atonal Battalion, which is still in training, and the Ramon Belloso will be deployed anywhere in the country, as needed.

Flores Lima reported that in addition to the United States, countries like Chile, Argentina, Colombia and Venezuela have given military training to Salvadoran soldiers. However, he emphasized that none of them, except for the United States, has sent advisers to El Salvador.

The Salvadoran military leader said that the armed forces are prepared to support an amnesty for members of leftist organizations to put down their weapons and be reincorporated into normal life, but not an amnesty for political prisoners, "who, in my opinion, are subversive criminals who owe a debt to the country and should pay it," he said.

Regarding the status of Gen Jaime Abdul Gutierrez within the Salvadoran Armed Forces, Flores Lima siad that "he remains in an inactive, reserve status within the armed forces general staff." Flores Lima explained that Gutierrez served as commander in chief of the Salvadoran Armed Forces during the administration of the civilian-military junta, but that post is now being held by Alvaro Magana, the president of the republic, in line with the constitution. General Gutierrez, along with Col Adolfo Arnoldo Majano, led the military coup that overthrew Gen Carlos Humberto Romero on 15 October 1979. Majano is currently in exile in Mexico.

RADIO VENCEREMOS REPORTS ON FMLN ACTIVITIES

Propaganda Activity

PA140849 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 13 May 82

[War bulletin issued by the Anastasio Aquino Paracentral Front, no date given -- read by announcer]

[Text] At 0625 on 10 May, we detonated two powerful mines as the enemy was on his way to the area near (El Cumbo) hill. The number of casualties inflicted on the enemy is still unknown. Before our combatants withdrew, they fought for 5 minutes, without sustaining any casualties.

On the same day [words indistinct] arrived in San Sebastian when guerrilla and militia squads were involved in the distribution of revolutionary propaganda and were posting signs urging national army soldiers to desert and join the people's army. This propaganda activity lasted 45 minutes, during which our companeros delivered propaganda material to every house. This action was carried out by guerrilla and combative people's militia units. United to fight until final victory. Revolution or death, we will win.

Ambush Attack

PA140906 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 13 May 82

[War bulletin issued by the Francisco Sanchez Eastern Front [as heard]; no date given -- read by announcer]

[Text] On 5 May, our revolutionary forces ambushed a vehicle that was transporting national guardsmen from Ciudad Barrios to San Miguel. Our combatants detonated a mine and this was followed by heavy fighting which lasted 5 minutes. We inflicted 20 casualties on the enemy.

Meanwhile, our revolutionary containment forces clashed with enemy forces. This resulted in an unspecified number of enemy casualties. Companero (Carlos) carried out this action which was named after the heroes who were killed in May 1979 and in retribution for the enemy massacres against defenseless people in the coastal region in Usulutan and San Vicente departments between 2 and 7 May. [Signed] Commander (Bernardo Torres).

Battles Reported

PA141722 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 14 May 82

[War report of the FMLN Anastasio Aquino Paracentral Front; no date given -- read by announcer]

[Text] The enemy tried to seize our positions at 0500 [no date given] on the Pan-American Highway at the San Felipe turnoff. Our revolutionary forces opened fire on the enemy, inflicting several casualties. A sargeant was among the enemy casualties.

At 0600, our revolutionary forces hit an army truck with RPG-2 fire. They inflicted several casualties on the enemy. The enemy later attacked our positions with artillery fire but were unable to cause any damage. Our companeros evaded this enemy attack.

At 0935, our revolutionary forces attacked a truck carrying enemy reinforcements with RPG-2 fire. We inflicted several casualties on the enemy.

In these battles, the enemy sustained 15 dead and an unspecified number of wounded. This operation was carried out in reply to the recent genocidal incursion by the fascist regime's troops against the people living on the banks of the Lempa River. [Signed] Joint Command of the Anastasio Aquino Parcentral Front.

Death Squads Reported Again

PA141731 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 14 May 82

[Text] D'Aubuisson's death squads have been reactivated. According to a report by San Salvador judicial authorities, seven more bullet-riddled bodies have been found in the past 24 hours in the outskirts of San Salvador. Two of the bodies were found in (Lomas de San Francisco), a residential sector in San Salvador.

It was also reported that the bodies of (William Guerra Calderon), 17 years old, (Arquimedes Fremillo Medrano), 18; and (Jorge Alberto Sanchez), 23, were found in Cuscatancingo. Two other bodies were found near the (Periquera) bridge on the road to Mariona. The judicial authorities who examined the bodies said they all showed signs of torture, the usual practice of the death squads. All these reports indicate that the death squads linked to Roberto d'Aubuisson, president of the Constituent Assembly, have been reactivated.

Enemy Post Attacked

PA161717 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 16 May 82

[War bulletin issued by the Anastasio Aquino Paracentral Front, no date given -- read by announcer]

[Text] At 2300 hours on 13 May, we attacked the enemy post in (Tasopico) located on Chichontepec volcano in San Vicente Department. Fierce fighting occurred during this operation. The number of enemy casualties is unknown. On our part, we had no problems. Revolution or death, we will win! [Signed] Commander (Douglas)

Sappers Destroy Bridge

PA161721 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 16 May 82

[War bulletin issued by the Francisco Sanchez Eastern Front, no date given -- read by announcer]

[Text] At 0200 hours on 15 May, FMLN forces blew up and destroyed the bridge over (Quebrada Seca) on the road that goes from San Agustin to the coastal road. This action was carried out by expert sappers led by Companero (Chabelo) supported by guerrillas and militiamen.

The enemy made a big display of forces at 0830 when they appeared at the site of the incident. They used helicopters and armored vehicles and strafed the fields sown by civilians in a criminal response in view of their own military impotence. Furthermore, the road that goes from San Agustin to Berlin was obstructed early on 14 May to make enemy passage more difficult. United to fight until final victory! Revolution or death, we will win! [Signed] Commander (Bernardo Torres)

GUATEMALA

GOVERNMENT DECIDES ON ELECTIONS SCHEDULE

PY181744 Buenos Aires TELAM in Spanish 1739 GMT 18 May 82

[Text] Guatemala, 18 May (TELAM) — The military junta that governs Guatemala has decided to call elections for a constituent assembly for December 1982, and general elections for 1984, respectively. This official announcement was made by Guatemalan President Efrain Rios Montt.

GOVERNMENT AUTHORIZES SUGAR EXPORTS TO USSR

PA182148 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 18 May 82

[Text] Guatemalan Economy Minister Julio Matheu announced today that the Guatemalan Government has authorized the sale of approximately 800,000 quintales of sugar to the Soviet Union. Matheu said that the Guatemalan government has decided to place Guatemalan products on the market as needed, regardless of political or ideological beliefs, if it will benefit the Guatemalan economy.

Matheu added that the Guatemalan Economy Ministry has authorized sugar exports as follows: 1.2 million quintales to the United States, 800,000 quintales to the Soviet Union and 400,000 quintales to Ecuador, which means that Guatemala has sold 2.4 million quintales of sugar to date.

HONDURAS

JOINT PATROLS BACKED DESPITE REJECTION OF TALKS

PA172110 Tegucigalpa Voz de Honduras Network in Spanish 1600 GMT 17 May 82

[Excerpts] The Nicaraguan Government has officially rejected talks between the military chiefs of that country and Honduras. This meeting had been scheduled for 20 May. The rejection of these talks can only be seen as a rejection of the Honduran intention to have good relations with the Sandinists authorities.

Today, the Honduran Government and the armed forces will state their official position regarding this rejection to dialogue from Nicaragua.

In spite of this, the Honduran Government is not opposed to joint patrolling of the common border between the two countries, and the Nicaraguan position will not weaken the Honduran desire to internationalize peace, according to what foreign affairs Secretary Edgardo Paz Barnica has stated.

[Begin recording] The Honduran Government agress not only with that, it also agrees with a general and rational solution of the problems afflicting the Central American area.

The Honduran Government, it has already been said and I repeat it today, is prepared to permit any kind of international supervision on its territory because we have nothing to hide.

We are maintaining our peace plan. We believe in the path of negotiations, and we will see what the specific points of view are. Then we will be able to be more specific on this. [end recording]

COMMUNIQUE ANNOUNCES MEETING WITH NICARAGUA

PA181517 Tegucigalpa Domestic Service in Spanish 1130 GMT 18 May 82

[Official communique from the Honduran Foreign Ministry -- live or recorded]

[Text] The Honduran Foreign Ministry has received a message from the Nicaraguan Interior Ministry dated today, which invalidates the statements made by Commander Humberto Ortega Saavedra on Saturday, published in the foreign press. In this message, the Nicaraguan Government accepts the meeting of military leaders posed for 20 May.

The Honduran Government proposed this meeting of the two countries' high ranking military officers within the broad concept of its initiative to internationalize peace in Central America and to discuss subjects of mutual interest for Honduras and Nicaragua.

According to Honduran constitutional provisions and based on discussions with Nicaraguan Foreign Minister d'Escoto, the president of the republic as commander in chief of the Honduran Armed Forces will name the military chiefs that will represent the government. The meeting is to be held at La Fraternidad, a Honduran customs post.

For this reason the President of Honduras has named the chief of general staff, the general commanders of the public force and the navy, the inspector general of the armed forces and the commanders of the 5th and 11th infantry brigades as the Honduran delegates to this meeting.

In view of the high ranking status of the officials that will attend the proposed meeting, positive achievements for the normalization of the Central American situation and for the strengthening of the relations between Honduras and Nicaragua are expected.

Tegucigalpa, Central District, 17 May 1982
Information Office, Presidential Office

PAZ BARNICA SUPPORT FOR MEETING WITH NICARAGUA

PA181800 Tegucigalpa Televisora Hondurena in Spanish 0130 GMT 18 May 82

[Text] The Nicaraguan Government has not rejected the meeting between high ranking Hondruan and Nicaraguan officers scheduled for Thursday at the border post known as La Fraternidad, according to Foreign Affairs Secretary Edgardo Paz Barnica who received a communique regarding this from Nicaraguan Foreign Minister Miguel d'Escota today.

[Begin Paz Barnica recording] This morning I received an official note from the Nicaraguan foreign minister. That note does not include any rejection of the meeting. If there is any contradiction within the Nicaraguan Government, if they say something now and something else later, that would have to be cleared with them. We continue on our path, with our peace initiative. [end recording]

The official said that despite the fact that this is a new government, it has complied with the commitments of the Guasaule agreement.

[Begin Paz recording] Today, I read some statements that are attributed to important leaders of the Nicaraguan Government. It is said there that they don't accept the proposal for the meeting of high-ranking military chiefs because they think that it is not in line with the spirit of the Guasaule agreement.

The constitutional and democratic government of President Suazo Cordova is interested in solving these problems, in the internationalization of peace, in peaceful and respectful coexistence with all the countries and in the existence of democratic governments, among other things. All of this is in the context of the Honduran peace initiative which is progressing with great success, as demonstrated by the joint declaration signed by chiefs of state and presidents in San Jose, Costa Rica, on occasion of the presidential inauguration of Luis Alberto Monge.

In line with this, the meeting of military leaders has been arranged. The Guasaule agreement was reached by the previous government. Now we have a new government, a constitutional government. There is talk about a meeting between foreign ministers. The two foreign ministers have already met in Nicaragua. Regarding a military agreement at the level of defense (?ministers) and chiefs of staff, the Honduran Government's initiative for this meeting of Thursday includes a more broad Honduran delegation. This delegation will include high-ranking leaders of the Honduran Armed Forces. There is chief of staff, the chief of the public security forces, the naval forces chief, the army's general inspector and, this is very important, the commanders of military battalions in the border regions, such as the 11th battalion. That is, Honduras is acting not only in what they call the Gausalue spirit but with the spirit of peace, a stable and lasting peace. [end recording]

POLICE DEACTIVATE TIME BOMBS IN SAN PEDRO SULA

PA172157 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 17 May 82

[Text] The daily EL HERALDO, which is published in Tegucigalpa, reported that the police have deactivated two time bombs that included 25 sticks of dynamite that criminals wanted to explode in the post office of San Pedro Sula.

The bombs were discovered by an unidentified cleaning lady. The explosives were inside the post office. The two time bombs were set to explode with a timing device. Captain (Valladares), of the Department of National Investigation, arrived at the post office and immediately ordered personnel under him to deactivate the bombs. According to EL HERALDO, the two bombs were placed near the post office boxes and it was just by luck that the cleaning lady found them. Had they not been found, the bombs would have destroyed many of the buildings in the block since they were very powerful. The bombs were apparently aimed at destroying the first public security forces headquarters, the police officer said.

The two bombs were deactivated by demolition experts from the 3d Battalion. The time bombs had been set to explode at 2300 Saturday. The police have started an investigation to discover who was responsible for the bombs.

NICARAGUA

NEW MIGRATION LAW TO TAKE EFFECT IN JUNE

PA140820 Managua Domestic Service in Spanish 1200 GMT 13 May 82

[Text] As of this June, the new migration and alien law, decreed early this month, will allow better control of foreigners in the country and of all migration in the country. The new law, which was drafted in a revolutionary legal framework, annulled the 1930 law, which stated that only a tourist visa was needed to enter or leave the country.

The new law prescribes different types of visas to specify the reasons that foreigners wish to stay in Nicaragua, and their obligations during their stay. There will be an identification card for foreigners who wish to stay in the country.

The Migration and Alien Directorate said that currently there are approximately 25,000 foreigners of approximately 80 different nationalities who are registered as temporary residents.

FSLN, CEPAD COMMENT ON DIVISIVE ACTIVITIES

PA181856 Managua BARRICADA in Spanish 9 May 82 p 8

[Text] Puerto la Esperanza, Zelaya Department -- Officials from the FSLN and the Evangelical Committee for Development (CEPAD) held an important meeting to find a solution for the counterrevolutionary campaigns that certain sectors are carrying out in an attempt to provoke a confrontation between the church and the revolution. The meeting took place in La Esperanza, with the participation of Francisco Sanchez, political secretary of the Departmental Leadership Committee (CDD) in Chontales and central Zelaya; Bayardo Fonseca, FSLN secretary for the area; Reverends Luis Mendoza and Antonio Videa for the CEPAD; and municipal clergymen.

The clergymen told the FSLN officials that in many districts it is being rumored that the FSLN will close down Christian churches and the children will be carried off from their homes. They said that these rumors are being spread by sectors opposed to the revolution.

In turn, CDD Political Secretary Francisco Sanchez said that Sandinism has no intention of suppressing the Nicaraguan peoples' faith; quite the contrary, the revolution respects religious beliefs and traditions, so the peole can rest assured that churches will continue to exist and the faithful can attend services without fear.

Sanchez asked them to disregard these rumors because they are spread by the enemy in a desperate effort to divide the people and their leaders. He emphasized that freedom reigns in Nicaragua, but not freedom to carry out counterrevolutionary activities such as those being undertaken by certain people, who carry out their destabilization campaigns under the guise of religion.

Reverend Luis Mendoza, CEPAD delegate for Chontales and central Zelaaya, added that the clergymen's place at this time is with the people, following Christ's example, when he preached love and the word. "We, the clergymen, must remain with these people who are suffering hunger and are downtrodden and try to help the masses," he affirmed.

Reverend Antonio Videa ended by saying that some Yankee missionaries who come to Nicaragua to preach ask the people and the clergymen themselves not to meddle in politics, trying to deny the masses their right to participate in the process, and to keep them on the sidelines.

OFFICIAL REPORTS NEW ANTI-FSLN RADIO STATION

PA180042 Managua Domestic Service in Spanish 1800 GMT 17 May 82

[Text] Commander of the Revolution Luis Carrion, member of the FSLN National Directorate and deputy interior minister, has reported in Havana the existence of a new radio station devoted to attacking the Sandinist revolution. Commander Carrion said that in addition to Radio 15 September, there is a new station operating now called Radio Voz de Sandino sponsored by those whom he described as last-minute traitors.

Carrion spoke in Havana to a group of Nicaraguan youths studying in Cuba. The member of the FSLN National Directorate added that the United States has recently boosted the amount of material aid given to the bands of Somozist scum who are attacking the revolutionary process from Honduran territory.

Regarding international affairs, Carrion said that we will not give up our solidarity with El Salvador or our friendship with the Cuban people. As to the Malvinas conflict, he stressed that the United States has sided with a colonialist power and against a Latin American country, thus showing once again that Yankee imperialism is a threat to peace in the continent.

OPPOSITION SEES INCREASINGLY DIFFICULT SITUATION

PA180423 Panama City ACAN in Spanish 2209 GMT 17 May 82

[Text] Managua, 17 May (ACAN-EFE) -- Members of the Ramiro Sacasa Guerrero Democratic Coordinating Board, which comprises the political parties that oppose the Sandinist regime, today said that the Nicaraguan situation is "increasingly difficult." The coordinating board held its first session without the Nicaraguan Democratic Party (PSC). The Social Christian Party, the Nicaraguan Workers Federation, and the Confederation of Nicaraguan Professional Associations attended the meeting.

According to PSC President Adan Fletes, Jose Castillo and Carlos Gadea, co-owners of Radio Corporacion, attended the meeting also to discuss the situation of that station, which was shut down by the authorities 3 weeks ago.

GOVERNMENT REQUESTS AID FOR 19 PROJECTS

PA181356 Panama City ACAN in Spanish 0032 GMT 18 May 82

[Text] Managua, 16 May (ACAN-EFE) -- An official source said today, Monday, that Nicaragua is requesting technical cooperation from Action Committee for Nicaraguan Reconstruction, [CARN] member countries, to carry out a group of 19 projects.

Nicaragua began presenting its request for technical assistance at CARN's third meeting that began today in Managua. Representatives from 15 countries are participating. CARN is a SELA committee. The Sandinist government is appealing to Latin American solidarity to get these foreign experts or scholarships for local technicians in the fields of water resources, soil and agriculture as well as for the fishing projects.

The regional organization CARN was created in 1979 with the participation of 17 member countries. Eventually, Chile and Colombia withdrew. Bolivia and Honduras still do not belong to this committee that will exist until 1983.

SERGIO RAMIREZ REPORTS CHANGED AMERICAN BALANCE

PM180931 Rome LA REPUBBLICA in Italian 15 May 82 p 11

[Saverio Tutino 14 May interview in Rome with Nicaraguan junta member Sergio Ramirez: "Wind Has Changed in Latin America"]

[Excerpt] Rome -- [Question] You have supported the generals' Argentina. Why?

[Answer] We were the first to support the Argentine position on the Malvinas. But we did not support the junta. In Europe all that is seen is the Argentine-British conflict. For us the U.S.-Latin American conflict is more important. The Malvinas episode has prompted a radical change; Argentina, which had its military advisers in Central America to back the United States against us and El Salvador, has withdrawn everything, with a radical change of course. And now there is serious talk of forming an organization of American States of which the United States would no longer be a member. Reagan's Latin American policy is in a state of crisis; the conditions do not exist for a direct intervention in support of the Central American military dictatorships. Washington would have to persuade Europe, its allies in Latin America and above all its own public. That is impossible. Of course, there are still the CIA operations in Honduras, via the Somozaists. But we are alert and are cautiously and patiently maintaining the initiative for the opening of direct negotiations with the United States.

[Question] Meanwhile, you have signed an accord with Moscow and invited Brezhnev to visit Managua.

[Answer] It is an economic accord, which provides for $50 million to construct a hydroelectric power plant. But you have seen the communique; we maintain our option of nonalignment and for the opening of negotiations with the United States. It is easier for a poor country to align; it is difficult to remain nonaligned, but we want to show that it is possible. It is said that we are a second Cuba; we are a first Nicaragua. It is a myth that Cuba is behind everything. Now in our country there is no foreign embassy that decides things, as under Somoza. Moreover, the world has changed since the Cuban revolution; we can develop with the aid of the aid of the socialist camp, of Western Europe and of the Arab countries.

[Question] Commander Cero is attacking you. How are you responding?

[Answer] He repeats the arguments used by Washington's propaganda and does not have much backing at home. What he has done is to give a visible head to the opposition in exile.

[Question] Among other things, Pastora says that you are persecuting the Miskito Indians.

[Answer] At our invitation an OAS human rights committee visited the Miskitos from 4 through 10 May. On his departure its chairman, Tom Farrer, told newsmen: "The charges are unfounded." He left recommendations, which we observe.

[Question] What about the agreement with Italy?

[Answer] Your Deputy Foreign Minister Palleschi signed an accord for the construction of geothermic plants, the first of which will become operational in January 1983. It is a decisive contribution, following the Japanese failure, in what is a most important field for us -- the production of energy from volcanoes, of which Nicaragua is full. And this is just the start of a turning point in our relations.

MOZAMBIQUE'S SAMORA MACHEL PRAISES REVOLUTION

PA182342 Managua Domestic Service in Spanish 0000 GMT 18 May 82

[Text] Nicaragua is a shining symbol for all peoples who are fighting for their liberation, Mozambique President Samora Moises Machel said today.

The president of Mozambique delivered a message of solidarity and friendship to the Sandinist armed forces during a ceremony at the Walter Mendoza Police training school. The great African leader, who led the armed struggle against Portuguese colonialism until victory was achieved in June 1965, said that Nicaragua and Mozambique face the same enemy, who is trying to thwart the historic revolutionary processes of the two countries.

The president of Mozambique also emphasized that Nicaragua has become the symbol of the future, because to speak of Nicaragua is to speak of victory and of the future and the happiness of the new man.

Machel then said that the Sandinist peoples revolution is no longer limited, for its example inspires the peoples of the entire world.

The following is a part of the speech by Samora Moises Machel, the revolutionary leader of the sister Republic of Mozambique:

[Begin Machel recording in Portuguese, with simultaneous translation into Spanish] This is why [words indistinct] of Nicaragua, servants to imperialism, lackeys of imperialism, men with no dignity or self-respect. Their dignity was corruption. Their civilization was immorality; that is why it fell. It fell like a rotten fruit from a tree, (?as a result) of our victory. We have political power which we obtained through the force of weapons. The final battle, the national reconstruction, the technological revolution, the scientific revolution, the cultural revolution, the economic revolution once again demand, especially from the youth, an unselfish spirit of service to the people. They have the task of consolidating the revolution, [words indistinct]. The revolution has its enemies and it must defend itself. [end recording]

BRIEFS

NEW SHIPPING ROUTES -- The Nicaraguan Shipping Comapny [Empresa Naviera Nicaraguense -- NANICA] is opening new routes to ports in Europe and Canada this year, to diversify its merchant routes and to avoid sole dependence on the routes to U.S. ports. NANICA, which was bankrupt at the time of the victory, has seen an increase in its income in the last 2 years. It made 51.1 million cordobas transporting 64,200 tons of cargo in 1980, and 65.9 million cordobas for 64,600 tons in 1981. The NANICA fleet is composed of two [words indistinct] ships and one general cargo vessel. [Managua Domestic Service in Spanish 1200 GMT 14 May 82 PA]

CULTURAL EXCHANGE AGREEMENT SIGNED WITH ANGOLA

FL182025 Havana Domestic Service in Spanish 1808 GMT 18 May 82

[Text] Armando Hart Davalos, member of the party Politburo and minister of culture, and Boaventura da Silva Cardoso, the People's Republic of Angola secretary of state for culture, signed a cultural exchange program this morning.

The document covers the exchange of information in the field of musical and folkloric research and the exchange of experts in various cultural fields. The two ministers stressed the importance of the exchange program signed which will help improve understanding and cooperation between Cuba and Angola.

In his visit to Cuba, Boaventura da Silva Cardoso had working meetings with Rafael Almeida, first deputy minister of culture, and toured artistic and educational centers of interest.

OFFICIAL SAYS WORLD ECONOMY AFFECTS COUNTRY

FL181257 Mexico City NOTIMEX in Spanish 2215 GMT 18 May 82

[Text] Mexico City, 17 May (NOTIMEX) -- Cuba's Chamber of Commerce President Jose M. Mirabal today acknowledged that the world economic recession is affecting his country and, in general, the entire continent, including developing countries. The official was interviewed on arrival in Mexico's airport to meet with Raul Salinas, director of the Mexican Foreign Trade Institute, in order to step up trade between the two countries.

Mirabal explained that another reason for his visit is the commemoration of the 30th anniversary of the creation of the Export Development Fund, and noted that the balance of sugar trade between Cuba and Mexico favors his country. He indicated that his government would like to continue selling sugar to Mexico, even though he realizes that the national production will recover in a not too distant future. He added that Cuba is currently exporting the best quality cement to our country.

Finally, he explained that at the present time Cuba has no relations with the United States or with that nation's businessmen, but that negotiations are acceptable so long as Cuba's conditions are accepted.

He said that the recent devaluation of the Mexican peso had benefitted Cuba as it had resulted in an increase in its exports.

PRESIDENT-ELECT PREPARES TO FORM CABINET

FL181216 Bridgetown CANA in English 1157 GMT 18 May 82

[By Jose Katigbak]

[Text] Santo Domingo, Dominican Republic, 18 May (CANA-REUTER) -- The self-proclaimed winner of presidential elections in the Dominican Republic, Salvador Jorge Blanco, today prepared to form a cabinet after speaking of the need for belt-tightening to pull the country out of the doldrums.

Mr Jorge Blanco of the ruling Dominican Revolutionary Party (PRD) said his victory trend, based on still incomplete results from Sunday's poll, was irreversible and added that all computer projections showed his party would also win complete control of the Senate and Chamber of Deputies.

"We must tighten our belts, work hard and above all unite irrespective of political differences or ideology for the good of the country," he told cheering supporters. "My government in its first 100 days in office will have to chart the way efficienty and responsibly to create an impetus to pull the country out of the doldrums."

Mr Jorge Blanco, 54, began preliminary talks with advisers on forming his cabinet after latest results issued by the election tribunal showed that of 437,019 votes counted, 216,567, or 49.5 per cent of the total, went to the PRD. The main opposition Reformest Party of former President Joaquin Balaguer, who ruled for three successive terms from 1966, came in second place with 32.5 per cent of the vote followed by the Dominican Liberation Party (PLD) of another former President Juan Bosch with 11 per cent.

The election turn-out has been unofficially estimated at about 1.8 million of 2.6 million eligible to vote. Seven parties or blocs took part in the elections for a president, vice-president, 27 senators, 120 deputies and a host of other minor officials. Of the about 400,000 votes counted by the election tribunal less than 10,000 went to four leftist parties grouped under two alliances.

The elections went off peacefully, something of an exception in this often turbulent Central American and Caribbean region. The Dominican Republic, which shares the island of Hispaniola with Haiti, is staunchly anti-communist and has a population of about 5.6 million. Its main export revenue earner is sugar.

Seeks Cooperation of Opponents

PA181715 Paris AFP in Spanish 1605 GMT 18 May 82

[Text] Santo Domingo, 18 May (AFP) -- Salvador Jorge Blanco, virtual president-elect of the Dominican Republic, has requested the cooperation of former Presidents Joaquin Balaguer and Juan Bosch to govern the country beginning on 16 August.

Jorge Blanco, who in the election campaign appeared as an alternative for renewal in the face of the "old caudillos" of national politics, referring to Bosch and Balaguer, said last night in a speech to the country that he trusts that "the Dominican veteran statesmen, who still participate actively in politics, will always help this new generation, which is assuming the high office."

The president also appealed to all Dominicans "to forget old wounds and scars" caused by the election campaign and for all to join in "an embrace of concord and happiness" because in Sunday's elections, "the big winner was the Dominican people."